



Uniting Church in Australia
SYNOD OF VICTORIA AND TASMANIA

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Roy Adair
Chief Executive Officer
Hydro Tasmania
GPO Box 355
Hobart, Tasmania 7001

Dear Mr Adair

I am writing on behalf of the Justice and International Mission Unit, Synod of Victoria and Tasmania, Uniting Church in Australia, to seek a meeting with representatives of Hydro Tasmania and discuss Hydro Tasmania's role in the development of dams in Sarawak through its consulting arm Entura. We note your public invitation made on 19 October 2012 for those concerned about the work of Entura to meet with yourself and project staff. We have delayed responding to this invitation until we had further opportunity to read material made publicly available by both Hydro Tasmania and the critics of the project in Sarawak.

We welcome the fact you met with the two visitors from Sarawak, Peter Kallang and James Nyurang Usang, concerned about the development of the dams when they were in Tasmania at the start of December. We met with them in Melbourne.

The Justice and International Mission Unit of the Synod of Victoria and Tasmania is concerned about alleged impacts on Indigenous people affected by the dams and about the risk of corruption in the project, being a large infrastructure project. We are also concerned about allegations there has been a failure to disclose feasibility studies, social and environmental impact assessments, and resettlement action plans. We note the numerous concerns raised by the Bruno Manser Fund about the Sarawak Corridor of Renewable Energy (SCORE) project in their report "Sold Down the River".

We do not oppose the development of hydropower, provided it is done in a way that minimises the environmental impact and provides a level of compensation to those impacted by the project that leaves them no worse off than they were before the project commenced. We agree that hydropower is a form of renewable energy that can reduce greenhouse gas emissions in power generation, depending on the amount of forest destroyed in the creation of the dams and the amount of biomass submerged by the dam. We have previously engaged with the ANZ Bank over their financing of the Theun Hinboun Expansion Project in Laos. As a result the bank arranged a visit to the project. We continue to be in dialogue with the Theun Hinboun Power Company about the impacts of their project on affected communities and the ANZ Bank consulted with us as a stakeholder in the development of their public policy on the financing of hydro power projects.

We are aware of claims there are plans to build at least 12 more large dams in Sarawak's rainforests. It is our understanding that staff from Hydro Tasmania are providing technical and management advisory services to Sarawak Energy Berhad (SEB) through Entura. We note your public statement of 19 October 2012 that six employees from Entura were seconded with SEB and on 27 November you stated this would drop to four by the end of the

year. We note the public statements by yourself that Hydro Tasmania and Entura are not building the dams and do not have a central or leadership role in the implementation of the SCORE project. We also note Hydro Tasmania documents state it has been involved in:

- feasibility assessments on locations, to identify the most suitable sites for progressing to the next design phase;
- advice on the design of the spillway and intake gates to the powerhouse for the Murum hydropower project;
- provision of advice on the removal of biomass from the Murum dam and technical advice on the Murum diversion tunnel; and
- assessment of all the works conducted for the Bakun hydropower project to ensure the work was at the required standard and so as to reduce delays in the commissioning timeline.

We further note environmental and anti-corruption NGOs have stated Mr Andrew Pattle, previously Project Director for the Murum Dam was appointed as Senior Project Manager for the next two proposed dams, the Baram and Baleh. However, we note your public statement on 27 November that “Hydro Tasmania is not providing any consultancy services for the development of this dam” referring to the Baram dam. On 5 December you told the Tasmanian Government Business Scrutiny Committee “The involvement that Andrew Pattle has had in that was on the Baram hydro project for three months and his role involved starting the design and preparation of a social and environmental impact assessment process.” We would like to gain a clear understanding of exactly what role Entura staff are playing in relation to SEB.

We would be keen to learn of the human rights due diligence processes that Entura has undertaken on entering into a business relationship with SEB. Also what anti-corruption auditing that was conducted before agreeing to work with SEB?

We note in your public statements you have given an impression of dismissing concerns about allegations of corruption within the Sarawak Government. We would be keen to understand why Hydro Tasmania appears to dismiss such concerns. We believe there are strong reasons to be concerned about the risks of corruption in relation to the Sarawak Government and its Chief Minister. For example, we note the release of a leaked map of forestry concessions in Sarawak by the Bruno Manser Fund, which shows that Sarawak Government has granted concessions to companies allegedly associated through relatives and friends to Chief Minister Taib Mahmud. We also note the report released by respected international anti-corruption NGO, Global Witness, in November 2012, “In the future, there will be no forests left”. Global Witness stated they have obtained evidence of systematic bribery and corruption in the process of issuing and transferring all timber and plantation licences in Sarawak. They state they were told by local communities and former employees of Shin Tang that Shin Tang supervisors routinely bribed and intimidated local communities so they would vote for Chief Minister Tiab’s coalition at elections.

Global Witness point out that native customary rights (NCR) of indigenous groups in Sarawak to their ancestral land are enshrined in the Sarawak Land Code and protected under the Malaysian Constitution. These rights have been reaffirmed by a series of high court judgements. Despite this, the Sarawak Government has proceeded to licence nearly the entirety of Sarawak, including land claimed as NCR, for logging and plantations, whilst simultaneously blocking attempts by communities to have their NCR land mapped, recognised and gazetted. Since no satisfactory effort has been made by the state government to establish NCR claims prior to licensing, there is doubt over the legality of all forestry licences and palm oil leases issued by the state government in Sarawak thus far. Given this alleged systemic disregard for the legal rights of Indigenous people in Sarawak by the state government, we would like to understand why Hydro Tasmania believes the

Indigenous people should have faith in the state government to respect their human rights in the development of dams within the state.

We note your comment to the Government Business Scrutiny Committee on 5 December that people displaced by the Baram project would have “opportunities for relocation with full compensation and the opportunity to build a subsistence lifestyle elsewhere with appropriate levels of land.” Again, we would be keen to get reassurance on why you are so confident full compensation will be provided to those displaced by the project.

From a simple governance point of view, it is of great concern that Chief Minister Abdul Taib Mahmud also holds the portfolios of Sarawak Minister of Resource Planning and Environment as well as Minister of Finance, even though there are additional Ministers also holding these portfolios.

On what grounds has Hydro Tasmania assured itself that contracts to build the dams and associated infrastructure under the SCORE project have been, and will be, awarded on the basis of objective competitive tendering, and not be awarded simply to companies associated with the Taib family, in particular Cahya Mata Sarawak?

We look forward to hearing from you regarding our concerns or a possible meeting with Hydro Tasmania staff.

Yours sincerely,

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